

# STATE OF ALASKA

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

### DIVISION OF STATEWIDE PLANNING

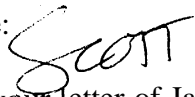
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January 24, 2001

Mr. W. Scott Janke, City Manager  
City of Seward  
P.O. Box 167  
Seward, AK 99664-O 167

Dear Mr. Janke:



Thank you for your letter of January 8 concerning the draft Prince William Sound (PWS) Transportation Plan. In it, you acknowledged the need to improve service to under-served geographic regions and to reduce state expenditures, and you objected to a recommendation for eliminating Alaska Marine Highway System (AMHS) service between Seward and PWS. You stated that the Seward Planning and Zoning Commission and Seward Port and Commerce Advisory Board both support continued AMHS service to Seward, and that the Seward Comprehensive Plan identifies a strong interest in ensuring that the M/V Tustumena continues to use Seward as its homeport.

We appreciate your views and your support for the work of the planning team. While we understand the community's reasons for wanting continued AMHS service to PWS from Seward, we have throughout the planning process had to balance the need for service with the cost of providing the service. This is not strictly a numbers game, either. Service hours devoted to one end of the system mean potential service hours denied to the other end. There are tradeoffs that come with each alternative looked at. During the planning process we did not treat the Seward Highway improvements as an alternative to be considered, but rather as a work in progress to be factored in. Thus it was easy to overlook this significant improvement in Seward's transportation linkage with Prince William Sound. There is no question that this link to PWS via the highway through the port of Whittier and high-speed vessel service will be more regular and faster than the current service provided by Tustumena. What we have learned as an almost universal axiom in studying ferry systems worldwide is this: Ferry services perform better economically when their routes do not parallel highway routes. The one exception is if the ferry service can "beat" the highway route in terms of perceived worth, factoring the average user's value of time and convenience. In the case of a Whittier to Valdez trip by high-speed vessel, this is a distinct possibility because it will save time. In most parallel route comparisons, the highway wins easily because it is faster to drive and costs less than a ferry ticket.

So it was the consideration of the Seward Highway improvements coupled with the Whittier tunnel opening that enabled us to structure the alternatives as we did and still realize an improved transportation outlook for Seward even while dropping the Tustumena from PWS service.

We recognize that this severing of Tustumena from the PWS transportation infrastructure enables a restructuring of Tustumena's service to Kodiak and Southwest Alaska, and indeed subjects Seward to greater scrutiny in the determination of a Kenai port-of-call for Tustumena; whereas with PWS service in place, a Seward port-of-call is academic. Our meetings in Seward and with the Advisory Committee reinforced our perception that the major concern in Seward is with the future of Tustumena service between Seward and Kodiak. We have yet to model the ferry service routing options in the Southwest Alaska Transportation Plan assuming the PWS Transportation Plan is in place, but we hope to begin that process soon, and we would appreciate any data your community can provide which could assist in the modeling.

Thanks again for your interest and valued participation in transportation planning for the region. We hope you will continue to be involved as the plan is implemented over the next several years.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Ottesen", is written over a horizontal line.

Jeff Ottesen, AICP  
Statewide Planning Chief